

**September 15, 2017**  
**Press Release**

### **Comments on 2017 First Half Financial Results**

PAPOUTSANIS S.A. reported on the 15th of September 2017, Financial results for the first half of 2017.

During the first half of 2017 the company achieved a significant turnover growth of 12.5%. First semester turnover amounted to Euro 10.0 mil versus 8.9 mil of the corresponding 2016 semester.

Sales growth is attributed to improved distribution and the relaunch of the Aromatics brand. In addition, sales of hotel amenities and soap noodles in bulk showed significant increase in foreign markets, but also in the national market.

During the A' semester of 2017, exports amounted to Euro 3,7 million, corresponding to 37% of total turnover.

24% of total turnover is attributed to "PAPOUTSANIS" branded product sales in Greece and internationally, 38% to hotel amenities sales and the remaining 38% to "third party manufacturing" and industrial sales.

Sales growth has positively impacted gross profit, which during the current period, amounted to Euro 2.8 mil versus 2.6 mil last year, showing an increase of 10,4%.

However, gross profit margin has been negatively impacted by significantly increased prices of raw materials (28,2% vs 28,7% in 2016). Specifically, it is estimated that the gross profit margin was reduced by 3 percentage points, due to the fact that only a part of this additional cost was transferred onto our customers through price revaluation. Taking into consideration the price fluctuation of oils used in the soap industry, the prices in raw materials are expected to decrease in the second semester of 2017, resulting in profitability growth.

The earnings before taxes amounted to 0,25 million Euro, versus 0,19 the first half of 2016, while earnings after taxes amounted to 0,12 million Euro versus 0,10 million Euro during the corresponding semester of 2016. The earnings before taxes, financial, investment expenses, depreciation and amortization amounted to 1,03 million Euro versus 1,08 the first half of 2016.

Our aim remains to achieve further growth by continuously expanding existing collaborations, establishing new ones, develop our branded product sales within Greece and abroad, by re-launching our products (Natura, Karavaki) and placing them in new sales spots, while further containing or even reducing production costs and other expenses.

